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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

Programme 21. Public administration and finance

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revised programme 21, Public administration and finance, submitted below replaces the narrative of programme 21 of the medium-term plan for the period 1992-1997, adopted by the General Assembly in its resolution 47/214 and issued in document A/47/6/Rev.1 and Corr.1. The proposed revisions reflect the outcome of the restructuring in the economic and social sectors approved by the General Assembly in its resolution 47/212 B of 6 May 1993.

4. The revised narrative is presented in its entirety in order to facilitate its consideration.

PROGRAMME 21. PUBLIC ADMINISTRATION AND FINANCE

A. Programme

1. General orientation

21.1 The general mandate for the programme derives from General Assembly resolution S-13/2, paragraph 5, and Economic and Social Council resolution 1985/10, paragraphs 3 and 4, and decisions 1988/115, paragraph (a), and 1989/114, paragraphs 3 and 4. More recently, the General Assembly confirmed that mandate in its resolution 47/212 B of 6 May 1993.

21.2 In recent years a number of economic factors relating to declining economic growth, rising external debts, an unfavourable international economic environment and increased government deficits have led to a shrinking of resources available for public expenditure. Administrative systems have frequently been criticized as unproductive consumers of scarce public resources. Singled out in particular were deficit-producing public enterprises. Administrative processes have also been found, for the most part, to be inefficient, wasteful and detrimental to national development in many cases. In fact, institutional improvement for sustainable development has frequently been hindered by such systemic issues as low salaries, overstaffing and disincentives in the basic policy structure of the public sector. Weak institutional capacities of Governments to formulate and implement appropriate macroeconomic policies are also cited as root causes for economic mismanagement in many developing countries. The urgent need to examine the critical issues in development administration and to adopt approaches and programmes for improved management of the public sector is increasingly emphasized by national Governments as well as international development agencies.

21.3 Under these circumstances, there have been demands for major changes and improvements concerning public administration and finance systems. Such changes have included retrenchment and rationalization of public administration (both structure and staff), reduction of resources allocated to public organizations, systemic training and development of human resources, improvement of efficiency, economy and productivity in development administration and improved evaluation and accountability for public sector activities. The dominant themes underlying those demands deal with improving the institutional and management capacities of national institutions, examining the role of the public sector and adjusting it to a size at which it can function effectively, and applying, to the extent possible, more effective methods of management in the operation and control of activities in the public domain.

21.4 In the particular context of newly independent States, several common issues persist, such as government accountability processes, accurate needs assessment, resource mobilization and management, poverty alleviation, employment, productivity of the civil service and absorptive capacity. In addition, there is a recognition of the importance of the role of the private sector, giving rise to the need for the creation of an enabling environment conducive to investment, economic management and stable systems of government. In many instances the issue to be stressed is to create those administrative capacities, while in other the issue is one of "re-inventing" government

according to successful corporate principles in order to lead to economic recovery and sustainable human development.

21.5 In the light of previous approaches to capacity-building in the public sector undertaken by international agencies, the need still exists to develop the intellectual infrastructure, both human and institutional, to move from crisis management towards the enabling environment leading to pragmatic linkages between the public sector and the non-governmental private sector. At present such linkages are, for the most part, cumbersome, or at best ambiguous.

21.6 The eleventh meeting of experts on the United Nations programme in public administration and finance, held in October 1993, noted the critical role that the programme should play in facilitating strategic improvements in public management systems in developing countries and countries in transition to a market economy in the 1990s and beyond, and that programme activities were in accordance with priorities assigned by Governments. It concluded that in response to challenges, new approaches of "governance" instead of traditional public administration structures must be recognized and organized, as this will be vital for national development. Governance will be increasingly the notion that public administration can manage itself more effectively with better linkages for interaction with the legislature, judicial body and private sector. The meeting recommended, therefore, that the remainder of the plan period could address in particular a revitalized approach towards governance, including strengthening legislative administration, restoration of civil administration, electoral processes, improvement and democratization of public administration processes and linkages with the private sector. In addition, innovations in financial management and revenue mobilization are continuously needed. Likewise, the changing relationship between government and the private sector, including the necessary deregulation of government affairs, must be underlined. Systemic and increased use of modern technologies in public management must also be continuously addressed. The meeting also recommended that the remainder of the medium-term plan should continue to reflect those orientations.

21.7 Through a comprehensive and programmatic approach, the programme provides technical support and advisory services at the country level. As such, the programme deals with structure and systems of governance. Through administrative structure it seeks to strengthen capacity-building in the public sector towards improved government accountability and transparency. Through appropriate management systems, it seeks to strengthen programming and national execution capabilities for resource-efficient development management. By responding to the changing needs of developing countries in strengthening administrative, financial and information systems for better development management, transparent and effective linkages at the country level between the public sector and the private sector can be strengthened.

21.8 Along with budgetary reform and improved resource mobilization, many Governments have also come to realize the need to apply the higher standards and improved techniques of management in the provision of public services. Those actions are related to the concerns of Governments to raise productivity in the public sector and to improve the efficiency and accountability of operations. The concern for accountability includes such issues as well-developed accounting and auditing systems to ensure effectiveness of expenditures for achieving

policy objectives, information systems, cost-effectiveness and development management accountability.

2. Overall strategy

21.9 To achieve the programme's objectives, an operational framework will be devised that will utilize the elements of the programme approach. Focusing on structure and management systems in the public sector, the programme will concern itself with four essential components of public sector management: governance and administrative structure; public finance and resource mobilization; management of development programmes under national execution; and the partnership between the public and private sector. Specifically, the Secretariat will carry out operationally oriented analytical technical cooperation activities, including seminars, workshops and training programmes. Pilot studies and advisory services are an integral aspect of the approach.

21.10 The programme will also promote the development on the part of the donor community and the United Nations system of a common and coordinated approach and strategy to public sector assistance in order to bring about a stronger convergence of public sector management requirements at the country level and international development assistance, the objective being the creation of the necessary public sector conditions for effective absorption of international assistance. In line with that strategy, activities will include preparation of country profiles analysing and evaluating public sector conditions and requirements, providing both the donor community and Governments with an indicative analysis of where and how international assistance to the public sector can be most effective.

21.11 The programme will be active in initiating cooperation mechanisms with relevant development financing institutions and banks, in addition to its ongoing collaboration with UNDP sourcing for extrabudgetary funds. Collaboration will be maintained and strengthened with the regional commissions and the non-governmental sectors for joint sponsorship and execution of projects and programmes. Within the United Nations system, coordination will be maintained with ILO, particularly its Turin centre, UNIDO, UNCTAD and the Bretton Woods institutions as well as with major bilateral donors. In addition, coordination matters are discussed in meetings of the inter-agency consultations and working group held prior to the meetings of experts on the United Nations programme in public administration and finance.

3. Subprogramme structure and priorities

21.12 In the light of the above general orientation the subprogrammes are as follows:

Subprogramme 1. Monitoring trends and developments in governance and public sector management

Subprogramme 2. Effective structural and organizational reforms and methods of governance

Subprogramme 3. Training and development of human resources for public management

Subprogramme 4. Taxation systems and financial resource mobilization

Subprogramme 5. Public sector financial management

Subprogramme 6. Promotion of an enabling environment for the private sector, including entrepreneurship

Subprogramme 7. Building of national capacity for programme and project management

21.13 Subprogrammes 1 and 3 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. MONITORING TRENDS AND DEVELOPMENTS IN GOVERNANCE AND PUBLIC SECTOR MANAGEMENT

(a) Objectives

21.14 The legislative authority for the subprogramme derives from General Assembly resolutions 41/182 and 47/212, paragraph 2; and Economic and Social Council resolutions 1985/10, paragraph 6 (a); 1987/92, paragraph 2; and 1988/7, paragraphs 2 and 4; and decision 1988/115, paragraph (b).

21.15 Articulation of national priorities, determination of the appropriate role of the public sector, formulation of appropriate development policies and programmes and their effective implementation are a challenging job for any Government. Recent political and socio-economic changes in developing and transitional economy countries have placed heavy demands on governance and public management systems requiring reassessment of policies, strategies and institutional arrangements for sustained development. This has shown the urgent need in many countries to design administrative systems and processes for improved policy-making and management, including participatory decision-making at the local level, and to provide technical and administrative support to the building of democratic institutions. In a few countries another emerging need is for restoring and building civil administration in support of peace-keeping and reconstruction and development. In the international context, it is now increasingly realized that macroeconomic policy and performance in industrialized countries affect developing countries in critical ways. For many of the latter, prospects for their development cannot be separated from that of the world economy. There is an urgent need for periodic articulation of the role and priorities for public management systems and for strengthening the capacity of countries for improved policy analysis, effective implementation of development policies and programmes, and timely adjustment of national policies in the context of the global changes and trends.

21.16 The objectives of subprogramme 1 are:

(a) To enhance the capacity of developing and transitional economy countries in articulating the role and priority of public sector management and in strengthening their capabilities for improved governance and development;

(b) To facilitate dissemination of information among Member States on the best workable approaches, systems and practices in public management;

(c) To assist countries in developing approaches and operational frameworks in strengthening elements of effective governance.

(b) Course of action of the Secretariat

21.17 In accordance with the objectives outlined above, the Secretariat will:

(a) Review periodically developments and trends in governance and public management, including the role of the public sector in promoting democratic governance and sustained human development;

(b) Organize exchange of information on efficient systems, methods and practices in public management and prepare country profiles and policy guidelines for key issues of public management;

(c) Undertake development of operational frameworks and guidelines for promoting effective governance and public management.

SUBPROGRAMME 2. EFFECTIVE STRUCTURAL AND ORGANIZATIONAL REFORMS AND METHODS OF GOVERNANCE

(a) Objectives

21.18 The legislative authority for the subprogramme derives from General Assembly resolution 47/212 and Economic and Social Council resolution 1985/10, paragraph 6 (b).

21.19 Administrative reform has proved to be a continuing need of many developing countries. The existence of inadequate (though sometimes overgrown and overstaffed) administrative structures and institutional arrangements points to the need for constant attention to their size as well as performance. Frequently, there is overlapping and duplication of functions among government organizations, which also display a lack of flexibility in structure and operations.

21.20 Effective major administrative reforms can aim at the improvement of accountability for good governance. The important hallmarks of good governance can be (a) willingness to develop individuals and communities to achieve their full potential; (b) the development of a sustainable economy; (c) the encouragement of public participation in government affairs; and (d) transparency in reviewing and reporting government achievement at both central and local levels of government. Good governance should also promote economic development at local, regional and international levels, and mutual

understanding between the political process and executive arm of the Government. Governance reforms should, therefore, address not only structural issues, such as decentralization and relationships between central and local government, but also procedural issues, including deregulation aspects and administrative methods and techniques. The development of municipal governance in particular has become important in view of the continued growth of urban centres.

21.21 Information management is crucial to efficient public administration. Problems have arisen in the use of information technologies and underutilization of information systems and office automation by managers in the public sector. The situation can be alleviated by establishing an appropriate national computer policy, focal points, and various mechanisms, including training, particularly training of top management who could encourage the use of information management and technologies.

21.22 The objectives of subprogramme 2 are:

(a) To promote harmonized decentralization and local self-governance, and to improve municipal governance, particularly that of major cities in developing countries and countries in transition to a market economy;

(b) To improve the administrative effectiveness and accountability of administrative and managerial systems in developing countries and countries in transition to a market economy;

(c) To improve management methods and techniques, particularly by promoting the systematic use of information technologies in public management.

(b) Course of action of the Secretariat

21.23 The Secretariat will carry out technical cooperation activities, including advisory services, training and field projects, and undertake analysis of the measures required to improve elements of methods of government deregulation and decentralization. This will include simplification of procedures for public sector management. Particular emphasis will be placed on the research and training for municipal and metropolitan governance. Awareness training on the use of information technologies in public management, as well as integrated information systems development for policy analysis, implementation and monitoring will also be emphasized.

SUBPROGRAMME 3. TRAINING AND DEVELOPMENT OF HUMAN RESOURCES FOR PUBLIC MANAGEMENT

(a) Objectives

21.24 The legislative authority for the subprogramme derives from General Assembly resolutions 39/219, 40/213 and 44/213; and Economic and Social Council resolutions 1986/73, 1987/81 and 1989/120, and decision 1989/114, paragraph (b) (ii).

21.25 Personnel administration is now concerned not only with recruitment, selection, placement, utilization, promotion, discipline and compensation of

public personnel, but also with their training, career development and mobilization of overall human resources. Procedures and practices relating to those various facets were often inadequate and personnel policy was frequently in a rudimentary state. In some countries, the civil service may be further handicapped by a relative lack of internal mobility. Despite relatively low rates of compensation, the overall size of the civil services may impose too large a burden on the national central personnel agency, and the scope of its functions requires urgent attention in many developing countries as they affect the proper control and use of the civil services. Ethical standards of conduct may similarly require strengthening in order to prevent abuse of powers by civil servants.

21.26 A number of developing countries have been faced with questions concerning the numbers of staff in their civil services. Determination of surplus staff and retrenchment and decentralization of personnel functions from a central personnel office to line departments and/or local units are complex issues, particularly in the context of structural adjustment of national economies.

21.27 Establishment of a valid statistical base for civil service personnel is vital for development of effective public sector human resource planning and training. Computerized personnel information systems may be established to improve human resource management and planning, as well as training and management development.

21.28 The objectives of subprogramme 3 are:

(a) To enhance the capacity of Governments to improve their public personnel policy and rationalize their civil service systems;

(b) To strengthen the capacity of training institutions in developing countries to modernize and develop curriculum for management development, improve training methods and design training packages for senior management to enhance their skills in policy development.

(b) Course of action of the Secretariat

21.29 The Secretariat will implement the following course of action:

(a) Preparation of methodologies for civil service surveys and databases to be established for human resource planning and development;

(b) Preparation of technical guidelines on: (i) management development training; (ii) public service ethics; (iii) manpower planning for public service; (iv) retraining mechanisms; and (v) training of trainers;

(c) Technical cooperation activities, including advisory services, training and field projects.

SUBPROGRAMME 4. TAXATION SYSTEMS AND FINANCIAL RESOURCE MOBILIZATION

(a) Objectives

21.30 The legislative authority for the subprogramme derives from General Assembly resolution 35/66, annex, paragraphs 96 and 110; 41/182, S-18/3, 45/188 and 46/166; and Economic and Social Council resolutions 1273 (XLIII), 1765 (LIV), 1980/13, 1982/45, 1988/74 and 1990/265.

21.31 During the 1980s, most developing countries faced mounting domestic and external financial imbalances that resulted in unsustainable fiscal deficits and reduced public and private financial flows. To contain those deficits and promote a higher level of financial flows many countries have implemented policies aimed at improving their revenue administration, strengthening their domestic financial resource mobilization and enhancing international tax cooperation. On the revenue side, those countries adopted measures aimed at expanding the revenue base, increasing the elasticity of their tax systems and improving the efficiency and effectiveness of their tax administration. On the expenditure side they put emphasis on limiting the growth of current expenditure control, closer scrutiny of public service, restraint in wage and salary adjustments and streamlined public enterprises. On the international tax cooperation side, they concluded tax agreements and treaties to promote the flow of investment, trade and technology in the interest of more efficient resource allocation and growth.

21.32 In mobilizing revenue for socio-economic development, most countries continue to rely on taxation systems. They seek to strengthen the efficiency and effectiveness of tax administration in order to improve revenue performance and have introduced tax reforms to ensure complementarity between tax policy and their macroeconomic framework. Similarly, to enhance the efficiency and effectiveness of tax administration many countries are implementing programmes aimed at a comprehensive overhaul and improved operation of institutions concerned with the assessment, collection and enforcement of taxes. To bring reality in line with intentions, they are also implementing measures geared towards simplified administrative procedures, improved tax information systems, enhanced staff training and introduction of data-processing capacities.

21.33 In most cases such policy measures require consideration of revenue and spending jointly, raising budgetary revenues or cutting expenditure and/or some combination of both. As a result of this revenue and spending approach, public expenditures are being rationalized, budget deficits narrowed down and domestic financial resource mobilization enhanced. Increased domestic financial resource mobilization capacities also rely on policies and measures to improve customs and excise administration, enhance administrative capacities of local governments to raise revenue, mobilize household savings, reform public enterprises and the financial sector, and expand the role of the market and private sector involvement.

21.34 The objectives of subprogramme 4 are:

(a) To enhance the capacity of developing countries to mobilize all available domestic financial resources and to mobilize foreign financial

resources on terms and conditions compatible with national priorities and legislation;

(b) To promote appropriate fiscal and financial policies and measures in support of development, including measures to reform tax systems, combat tax evasion and widen the tax base, and to develop options for broad-based development.

(b) Course of action of the Secretariat

21.35 The course of action will include:

(a) Policy-oriented research and analysis on the structure and functioning of the financial sector of developing countries and countries in transition to a market economy. Issues such as interest rate policies, credit allocation, prudential regulations, supervision of institutions and markets will be addressed with a view to mobilizing additional savings. Research and consultations will be undertaken with a view to establishing a multilateral convention on mutual assistance in tax collection with guidelines for international cooperation aimed at combating tax evasion and avoidance. Increased attention will be given to development and formulation of branch and subsidiary profits, international leasing of ships, containers, commercial equipment, aircraft leasing and transfer pricing questions. Research will be undertaken on problems arising in connection with utilization of the United Nations model double taxation convention between developed and developing countries;

(b) Research and analysis to determine the appropriate tax reforms that are needed to improve the tax base and to improve the taxation of economic activities, including agriculture, manufacturing and services, to minimize tax compliance costs and to promote allocative efficiency and growth;

(c) Assistance to developing countries, in particular in Africa, to implement the conclusions and recommendations of the seminars on revenue administration and developing countries;

(d) Preparation and dissemination of global studies and guidelines on improving revenue administration for mutual assistance in tax collection; and of supplements to the international tax agreement series;

(e) Support to developing countries and transitional economies in reforming the financial sector and increasing the contribution of household savings in the mobilization of domestic financial resources.

SUBPROGRAMME 5. PUBLIC SECTOR FINANCIAL MANAGEMENT

(a) Objectives

21.36 The legislative authority for the present subprogramme derives from Economic and Social Council resolutions 1985/10, paragraph 6 (d), and 1987/92, and decision 1989/114, paragraph (b) (i).

21.37 Financial management is crucial to successful government, because it contributes to better planning and allocation, more effective control and greater accountability in the use of resources. Consequently, Governments wishing to improve their effectiveness and those concerned with improving governance frequently seek financial management reforms. Moreover, policies that seek to re-prioritize public expenditure, modify financial relationships with the public enterprise sector, improve debt management, make better use of liquid resources, decentralize government responsibilities to local levels and stem financial leakages all depend on the existence of adequate financial management capacity.

21.38 The quality of public sector financial management varies greatly between countries and even within countries depending on the institution and level of government concerned. In some developing countries it is inadequate, reflecting factors such as environment, lack of resources and limited institutional capacity. Such factors are amenable to change over different time scales, depending on the will of government and the availability of assistance. In other countries, financial management is more adequate, but would benefit from a more up-to-date approach, including the application of modern technology.

21.39 The objective of subprogramme 5 is to assist Governments of developing countries and countries in transition to a market economy at the central, regional and local levels to strengthen the management of their public financial sector, with particular emphasis on:

(a) Government budgeting systems, so that public expenditures can be effectively planned, authorized and incurred in relation to realistic estimates of prospective resources;

(b) Financial controls, so that resources are managed with due regard to propriety and accountability;

(c) Accounting systems, so that accurate relevant and timely records, reports and information are available on government assets, liabilities, revenues and expenditures;

(d) Financial management, so that resources such as liquid assets and capital investments are protected and used intensively to achieve optimum effectiveness, and borrowings are managed with adequate regard to timing, cost, creditworthiness and so on;

(e) Audit, so that administrative and management shortcomings are identified and corrective measures taken;

(f) Measures to improve the performance of public enterprises.

(b) Course of action of the Secretariat

21.40 The Secretariat will follow the following course of action:

(a) Undertake technical cooperation activities and provide advisory services in public financial management, including public enterprise reform;

(b) Review and support developments in the field of public financial management, in particular concerning increased transparency, accountability and decentralization;

(c) Carry out surveys and studies in the field of government financial management on topics such as aid management and accountability; the financial management implications of changes in information technology; modern audit techniques; budgeting for programmes and results; and the development of integrated financial management systems;

(d) Disseminate the results of the surveys and studies in forms suitable for Governments of developing countries and countries in transition to a market economy via seminars, publications and the provision of training materials and training courses;

(e) Monitor and report on trends in public enterprise reform.

SUBPROGRAMME 6: PROMOTION OF AN ENABLING ENVIRONMENT FOR THE PRIVATE SECTOR, INCLUDING ENTREPRENEURSHIP

(a) Objectives

21.41 The legislative authority for the subprogramme derives from General Assembly resolution 48/180, on entrepreneurship and privatization for economic growth and sustainable development. The mandate also derives from a number of other resolutions of the Assembly, such as resolutions 48/170, on assistance to land-locked States in Central Asia, 48/171, on the implementation of the Programme of Action for the Least Developed Countries for the 1990s, 48/172, on economic and technical cooperation among developing countries, 48/179, on science and technology for development, and 48/181, on integration of the economies in transition into the world economy.

21.42 Development of the private sector plays an integral role in the efforts of countries to build national capacity and increase economic growth. The task of encouraging that development requires innovative efforts and resources on the part both of government as well as the private sector itself.

21.43 All too frequently, national policies in many countries have not been sufficiently geared towards providing the requisite enabling environment for the private sector. Frequently absent is the necessary matrix of legislative, regulatory, financial and fiscal systems conducive to the creation of a favourable and predictable environment in which entrepreneurship and the private sector can contribute to economic development. Rather than overregulate the private sector, government can formulate the necessary policies and enact labour, trade and investment laws that are supportive of private investment and the growth of entrepreneurial capacity.

21.44 The objectives of subprogramme 6 are:

(a) To strengthen the capacity of Governments of developing countries and countries in transition to a market economy to design, mobilize support for, and implement their privatization policies and programmes so as to achieve more

fully their objectives of moving from centrally controlled and highly protective economies towards market systems;

(b) To review and analyse the role of Governments and non-governmental organizations in creating and maintaining an enabling environment for small and medium-sized enterprises, including those divested from the public sector, and to monitor and report on trends;

(c) To promote indigenous entrepreneurship.

(b) Course of action of the Secretariat

21.45 The Secretariat will implement the following course of action:

(a) Assistance to Governments in the formation and strengthening of government agencies and joint public/private organizations in the design of the enabling environment for policy and support institutions, the identification and training of technology-based entrepreneurs, and the formation of associations of entrepreneurs and regional networks;

(b) Policy-oriented research and publication of reports on privatization policies and programmes, including regulatory environment, tax policies and financial sector development to promote national entrepreneurship;

(c) Technical cooperation activities, including advisory services, training, field projects and support to national and international networking and cooperation, in the area of entrepreneurship and enterprise promotion, in selected countries, particularly the least developed and land-locked countries and countries in transition to a market economy.

SUBPROGRAMME 7. BUILDING OF NATIONAL CAPACITY FOR PROGRAMME AND PROJECT MANAGEMENT

(a) Objectives

21.46 The legislative authority for the subprogramme derives from General Assembly resolutions 44/211 and 47/199, and UNDP Governing Council decision 93/30.

21.47 In response to the far-reaching changes in the flow and delivery systems of technical cooperation, developing countries have been re-examining their internal structural capacities and organizational arrangements to ensure that aid is supportive of development objectives. That process has received the endorsement of the General Assembly, which has recognized the need to reorient operational activities towards strengthening national capacities in all phases of the programme and project cycle. While historically strategies in planning and executing programmes and projects were based on the premise of shared responsibility by national Governments and the funding and executing agencies, restructuring of the ways and means of delivering technical cooperation has now placed less emphasis on this tripartite approach in favour of more decentralization and national execution of programmes and projects. In its resolution 47/199, the General Assembly concluded that recipient Governments had

primary responsibility for the coordination of all external assistance on the basis of their national strategies and priorities.

21.48 It has become increasingly evident that building sustainable capacity locally within the developing countries is of overriding importance to the successful implementation of technical cooperation programmes. In the past, technical cooperation placed too much emphasis on the services of expatriate experts and less on productive training and the transfer of skills. There was an absence of national involvement in the identification and design of projects. The new approach intends to rectify that shortcoming by assisting countries in developing the necessary trained local staff.

21.49 The new emphasis placed on national execution of programmes and projects underscores the need to enhance the appropriate local institutional capacities and management skills.

21.50 The objective of subprogramme 7 is to enhance national capabilities in the effective management of development assistance programmes and projects through the transfer of skills and training for effective national execution.

(b) Course of action of the Secretariat

21.51 The course of action will include the following:

(a) Support to national entities in carrying out their execution and implementation responsibilities. Particular emphasis will be placed on measures to facilitate the transfer of skills through various modalities of advisory services and training activities, including training in project design, appraisal, evaluation, financial accounting and reporting and auditing systems;

(b) Provision to developing countries on a continuous basis of services on all matters and activities related to the mobilization, deployment and development of human resources for technical cooperation purposes, administration of fellowships and other training activities, procurement of equipment and so on;

(c) Undertaking institution-building and training to enhance government capacity for national execution, in coordination with other agencies and field offices.